

STATE CONTROLLER'S OFFICE  
PERSONNEL AND PAYROLL SERVICES DIVISION  
P.O. BOX 942850  
SACRAMENTO, CA 94250-5878

DATE: August 22, 2019

PAYROLL LETTER #19-016  
(Civil Service Only)

TO: All Agencies in the Uniform State Payroll System

FROM: Marissa Revelino, Chief  
Personnel and Payroll Services Division

**RE: BARGAINING UNIT 6 ONE-TIME LEAVE BUYBACK PROVISION 2019**

This Payroll Letter provides information on how to process payments for Bargaining Unit 6 for the one-time cash out of compensable leave. For details about the program, please reference [CalHR's Human Resources Manual Section 2104](#).

Departments must submit payment requests no later than November 14, 2019. Per CalHR, payments must be issue dated by November 15, 2019. The payments are based on the employee's hourly salary rate multiplied by the number of hours bought back.

For employees that receive pay differentials, each pay differential should be reviewed. If the pay differential indicates "yes" to "lump sum vacation" or "lump sum extra" the pay differential amount must be included when calculating the eligible employee's hourly salary rate for purposes of the cash out. Refer to CalHR's website at <http://www.calhr.ca.gov/state-hr-professionals/Pages/pay-differentials.aspx> for pay differential information. If the employee participates in the Voluntary Personal Leave Program (VPLP), the employee's salary rate must not be reduced by the VPLP differential when calculating the hourly rate for purposes of the buy-back.

#### Bargaining Unit 6 – 7K Exempt Employees

Per the Unit 06 Salary Conversion Tables located on CalHR's website at <http://calhr.ca.gov/state-hr-professionals/Pages/pay-scales.aspx>, departments should use the hours per pay period listed in the pay-scales to calculate the hourly rate.

#### TAXES

These payments are NOT subject to retirement. These payments are subject to other mandatory deductions (where applicable) and the tax rates are as follows:

- 22% Federal Tax (flat rate)
- 6.6% State Tax (flat rate)
- 6.2% Social Security (if applicable)
- 1.0% State Disability Insurance (if applicable)
- 1.45% Medicare (if applicable) **OR**
- 2.35% Medicare for wages over \$200,000 (if applicable)

## PROCESSING PAYMENTS

Use form STD. 671, Miscellaneous Payroll/Leave Actions to document the information to enter into the PIP System and keep forms for department records. Please see instructions below to complete the form STD. 671.

### PIP Earnings IDs for non-CLAS Departments

<u>PAYMENT REQUEST</u>	<u>PAYROLL EARNINGS ID</u>
Annual Leave and Vacation Buy-Back	9V
Holiday Credit Buy-Back	9H
Personal Holiday Buy-Back	9P
Personal Leave Program Buy-Back (1992, 2003, 2010 - 2012)	99
VPLP Buy-Back	99

### PIP Earnings IDs for CLAS Departments

The following Earnings IDs will issue Leave Buy-Back payments and update CLAS leave benefits when keyed on PIP.

<u>PAYMENT REQUEST</u>	<u>PAYROLL &amp; LEAVE EARNINGS ID</u>
Annual Leave Buy-Back	AL34
Holiday Credit Buy-Back	HC34
Holiday Credit - Work on Holiday – Buy-Back	HT34
Personal Holiday Buy-Back	PH34*
1992 Personal Leave Program Buy-Back	PL36
2003 Personal Leave Program Buy-Back	LD36
2010 Personal Leave Program Buy-Back	LP36
2012 Personal Leave Program Buy-Back	LV36
VPLP Buy-Back	PV36
Vacation Buy-Back	VA34

\*Personal Holiday is cashed out in units, not hours. When using PH34, units must be keyed as days.

### Bargaining Unit 6 – 7K Exempt Employees

For Bargaining Unit 6 – 7K exempt employees, the Payroll Earnings IDs below are keyed on PIP to generate pay, and the CLAS Earnings IDs are keyed on LAS to deduct the Buy-Back hours. The CLAS Earnings IDs will not generate the correct Buy-Back pay if keyed on PIP, since PIP calculates the hourly rate by 173.33.

<u>PAYMENT REQUEST</u>	<u>PAYROLL EARNINGS ID</u>	<u>CLAS EARNINGS ID</u>
Annual Leave Buy-Back	9V	AL34
Holiday Credit Buy-Back	9H	HC34
Personal Holiday Buy-Back	9P	PH34
1992 Personal Leave Program Buy-Back	9P	PL36
2003 Personal Leave Program Buy-Back	9P	LD36
2010 Personal Leave Program Buy-Back	9P	LP36
2012 Personal Leave Program Buy-Back	9P	LV36
VPLP Buy-Back	9P	PV36
Vacation Buy-Back	9V	VA34

PIP Earnings IDs for Compensating Time Off (CTO)

To cash out CTO, two transactions are keyed in PIP: the Earnings ID CT36 is keyed to deduct the hours from CLAS, and the Earnings ID is keyed to generate the payment.

<u>PAYMENT REQUEST</u>	<u>PAYROLL</u> <u>EARNINGS ID</u>	<u>CLAS</u> <u>EARNINGS ID</u>
Compensating Time Off	OF5	CT36

Before keying via PIP, complete form STD. 671, items 1-3, 15-17, and 19-21 as follows:

<u>ITEM NUMBER</u>	<u>ITEM NAME</u>	<u>ACTION</u>
1-3	Pay Period	Complete
15	Earnings ID	Complete
16	Days	Complete with PH units if Earnings ID = PH34
17	Hrs/Hdths	Blank if Earnings ID = 9V, 9H, or 9P Complete if Earnings ID = 99, AL34, HC34, HT34 VA34, PL36, LD36, LP36, LV36, or PV36
19	Hourly Rate	Blank
20	WWG/FLSA	Blank
21	Computed Gross	Blank if Earnings ID = 99, PL36, LD36, LP36, or LV36 Complete if Earnings ID = 9V, 9H, 9P, AL34, HC34, HT34, PV36, VA34 or PH34

If an employee is off pay status during the cash out pay period, pay must be requested via form STD. 674. If requesting payment using form STD. 674, do not use the CLAS Earnings IDs. Refer to PPM Section G 105 for form STD. 674 completion instructions.

Please direct questions regarding cash out payments to the Statewide Customer Contact Center at (916) 372-7200. Questions regarding CLAS should be directed to the CLAS Liaison at (916) 327-0756.

MR:AB:SACS